Closing the Deal: How Are You Getting Deals Across the Finish Line?

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Robert Gilman, Partner and Leader of Anchin's Real Estate Group, was given the opportunity to moderate last month's "Closing the Deal: How Are You Getting Deals Across the Finish Line?" panel at IMN's 3rd Annual Middle-Market Multifamily Forum in Coral Gables, Florida.

The panel was comprised of distinguished professionals representing various sectors of the real estate industry, with each panelist offering unique insights into the challenges involved in closing a real estate deal. The panelists included Asi Cymbal, Chairman of Cymbal DLT Companies; Gabriel Troncoso, Principal and Founder of Dimes Capital Group; Francisco Herrera, Partner at Peak 15 Capital; Saul Levy, Partner at PIA Residential; and Lavy Rosenthal from Prospect Capital.

The discussion kicked off with Gilman's opening remarks, which emphasized the importance of tackling the **prevalent misconception that "deals are not getting done."** Despite the challenges, the panelists shared their recent successes and ongoing efforts to navigate the complex terrain of real estate transactions.

The panelists discussed the nuances of different asset classes, with a consensus emerging on the attractiveness of Class A properties amidst shifting market dynamics. Class A buildings hold a distinct allure in the real estate market due to their premium quality, prime location, and superior amenities. They are often considered the gold standard in commercial real estate as they generally have exceptional construction, modern design, and advanced technology integration. The demand for Class A buildings continues to surge as businesses seek premium spaces that offer top-notch amenities and infrastructure to enhance productivity and attract top talent. In addition, **the panelists acknowledged the potential opportunities in other segments, such as Class B properties, which recently are experiencing pricing adjustments.** The discussion underscored the resilience and adaptability required to thrive in today's real estate landscape and how industry players can continue to drive deals forward, even in these challenging times, by staying disciplined, leveraging relationships, and embracing creative solutions.

The panelists also referenced **a new trend in the real estate market by which owners and developers are becoming more selective with their approach to deals.** This shift underscores the increasing emphasis that investors and developers are putting on strategic decision-making and risk management. The group echoed the need for conservatism in underwriting, which aligns with the cautious stance observed across the real estate sector under today's evolving market dynamics. Factors such as fluctuating interest rates, changing property valuations, and seller expectations are pivotal in shaping deal execution strategies. Some panelists shed light on the impact of factors like interest rates, valuations, and seller expectations on deal execution. The discussions highlighted the importance of thorough due diligence and creative structuring to overcome hurdles in the current lending environment.

Finally, the panelists discussed why it is crucial to maintain discipline in underwriting and build a strong reputation among brokers to instill confidence in potential sellers. The group shared insights into navigating capital markets, noting that there is an abundance of capital available; however, there is also increased scrutiny on deal metrics and risk mitigation strategies.

This panel showcased diverse perspectives from leading figures in the real estate industry, while underlining that there are many deal opportunities available despite the challenges in the current marketplace. With a focus on the significance of maintaining discipline in underwriting, the panelists conveyed the necessity of leveraging relationships and staying adaptable to drive stronger deals as we move forward into the second half of 2024.

To learn more about strategies of closing a deal, please contact ***Robert Gilman****, Partner and Leader of Anchin's Real Estate Group, or your Anchin Relationship Partner.*